GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:582
ANSWERED ON:03.03.2005
PROMOTION OF BIO DIESEL
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) The details of progress made on conservation of petrol by introducing ethanol-doped petrol all over the country;

(b) Whether the pilot project set up for production of ethanol have shown any positive results;

(c) If so, whether the Government would consider mandating the Sugar Industry to increase the production of ethanol; and

(d) If so, the details thereof?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) India is a net exporter of petrol. However, blending of ethanol in petrol reduces consumption of petrol to the extent of ethanol blended in petrol.

(b) to (d) The Government is implementing a 5% ethanol-blended petrol programme in notified sugar producing states/adjoining states and union territories. According to the parameters of the programme if the price at which ethanol is offered for the programme is comparable to the price of ethanol for alternative uses, and is comparable to the delivery price of petrol at the notified locations, and if the supply of ethanol can be maintained at such prices, supply of 5% ethanol-blended-petrol in notified areas is mandatory. However, molasses, a derivative of sugar used for manufacture of ethanol is a decontrolled item and ethanol manufacture is a de-licensed activity, where the entrepreneurs are free to take independent commercial decisions.